(c) Whether any meeting in this regard was called by the Ministry with the leading institutions and the banks; and

(d) If so, the details of the meeting and the main participants of the same?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) to (d) Parag Bosimi Synthetics Limited (PBSL), promoted initially in the joint sector by Assam Industrial Development Corporation Limited (AIDC) and Bombay Silk Mills Limited (BOSIMI), is implementing a Petroleum Filament and Yam/Partially Oriented Yarn (PFY/POY) project in Darrang District of Assam. IDBI, the lead institution has found the unit viable and has reported that the Unit has been commissioned. However, its operation has been hampered for want of working capital. Considering the importance of the project for the development of North East, efforts were made to tie up the working capital funds on priority. For this purpose, several meetings were organised during the last two years, last of which was held on 21st September, 2001, when representatives of IDBI, NEDFI, State Bank of India, Bank of India, Bank of Baroda, Central Bank of India, Dena Bank and Allahabad Bank were also present. Since some of the Banks are yet to sanction their share of the working capital requirement, the financial closure and full tie up of working capital of PBSL has not taken place.

Siphoning off Funds by Essar Group

2983. SHRI GOPAL SINGH G. SOLANKI: Will the Minister of FINANCE be pleased to state:

(a) whether Essar Group has siphoned off funds in the name of restructuring of the Group;

(b) whether the Group has been adopting an unethical practice of diverting funds from public, listed and institutionalised aided companies to private entities;

(c) if so, whether Government would probe the misappropriation of Government funds by the use of massive political clout for bailing out by

authorities like Income Tax, Customs, Excise, DRI, CBI, etc.; and

(d) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) Sir, no complaint/ information has been received by the Enforcement Directorate regarding siphoning of funds by ESSAR Group in the name of restructuring of the Group.

(b) The Enforcement Directorate is investigating an allegation against ESSAR Group of Companies to the effect that the Group had siphoned off funds by way of EPC Contracts entered between their flagship companies in India and their offshore entities. It it alleged that the group raises project finance in the Indian flagship companies through-public issues, financial institutions and banks and then remits the said funds to their own offshore companies (shown as EPC Contractors).

(c) The Enforcement Directorate is investigating the allegations mentioned in (b) above.

(d) Does not arise.

Defrauding of Bank of India

2984. SHRI KRISHNA KUMAR BIRLA: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the news-item captioned, "Cyberspace implicated in defrauding BOI", as reported in the Hindustan Times dated th 14th August, 2001;

(b) if so, whether an individual company in connivance with bank officials and other private parties have defrauded the BOI to the tune of crores of rupees;

(c) if so, the details thereof; and

(d) the steps taken by Government to check such bank frauds?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) Yes, Sir.